

Message Text

PAGE 01 STATE 152113

62

ORIGIN PM-03

INFO OCT-01 ARA-06 EUR-12 IO-10 ISO-00 ACDA-05 SS-15 SSO-00

NSCE-00 USIE-00 INRE-00 ERDA-05 CIAE-00 H-02 INR-07

L-03 NSAE-00 OIC-02 OMB-01 PA-01 PRS-01 SAJ-01 SAM-01

SP-02 TRSE-00 DODE-00 NSC-05 BIB-01 /084 R

DRAFTED BY PM/NPO:LVNOSENZO

APPROVED BY PM/NPO:LVNOSENZO

ACDA - ADM. DAVIES

C - MR. KELLY

EUR - MR. VINE

S/S:LCJOHNSTONE

S:LPBREMER

----- 094367

O P 272313Z JUN 75

FM SECSTATE WASHDC

TO AMEMBASSY BONN IMMEDIATE

AMEMBASSY BRASILIA

INFO USMISSION IAEA VIENNA PRIORITY

C O N F I D E N T I A L STATE 152113

E.O. 11652:GDS

TAGS: PARM

SUBJECT: FRG/BRAZIL NUCLEAR COOPERATION AGREEMENT

FOLLOWING IS TEXT OF FRG RESPONSE TO PARLIAMENTARY
QUESTIONS ACCOMPANYING FOREIGN MINISTER GENSCHER'S JUNE 25
MESSAGE TO THE SECRETARY:

QUOTE

1. ARE THE ASSERTIONS TRUE THAT THE FEDERAL GOVERNMENT'S
CONTEMPLATED AGREEMENT WITH BRAZIL ON THE PEACEFUL USE OF
CONFIDENTIAL

PAGE 02 STATE 152113

NUCLEAR ENERGY IS INCOMPATIBLE WITH NONPROLIFERATION POLICY?

ASSERTIONS OF THAT KIND ARE MISLEADING. THE FEDERAL GOVERN-
MENT HAS STRICTLY OBSERVED ITS OBLIGATIONS UNDER THE NP-

TREATY IN THE NEGOTIATIONS WITH BRAZIL AND IN THE AGREEMENT ITSELF WHICH IS TO BE SIGNED ON JUNE 27 BY THE GERMAN AND BRAZILIAN MINISTERS. ON SOME BASIC POINTS THE FEDERAL GOVERNMENT EVEN WENT BEYOND THESE OBLIGATIONS AND IN SO DOING CONTINUED ITS NONPROLIFERATION POLICY IN A CREDIBLE AND EFFECTIVE MANNER.

THE FEDERAL GOVERNMENT LIKEWISE TOOK INTO ACCOUNT INTERNATIONAL CONSIDERATIONS OF DEVELOPING WORLDWIDE NON-PROLIFERATION POLICY FURTHER.

IN THIS CONNECTION, THE AGREEMENT CONTAINS THE FOLLOWING PARTICULARS:

-- A GENERAL PROFESSION OF ADHERENCE TO THE NONPROLIFERATION OF NUCLEAR WEAPONS,

-- THE OBLIGATION TO SUBJECT ALL NUCLEAR EQUIPMENT, FACILITIES, AND MATERIALS DELIVERED IN THE FRAMEWORK OF COOPERATION, AS WELL AS THE TECHNOLOGICAL KNOW-HOW, TO THE SAFEGUARDS OF THE IAEA,

-- THE OBLIGATION NOT TO USE ANY OF THE NUCLEAR EQUIPMENT, FACILITIES, AND MATERIALS DELIVERED IN THE FRAMEWORK OF COOPERATION, OR THE RELEVANT TECHNOLOGICAL INFORMATION, FOR THE PRODUCTION OF EITHER NUCLEAR WEAPONS OR OTHER EXPLOSIVE NUCLEAR DEVICES.

-- THE OBLIGATION TO RE-EXPORT THE EQUIPMENT, FACILITIES AND MATERIALS, AS WELL AS THE RELEVANT TECHNOLOGICAL INFORMATION ONLY IF THE RECIPIENT HAS LIKEWISE CONCLUDED AN AGREEMENT ON SAFEGUARDS WITH THE IAEA,

-- IN ADDITION, THE OBLIGATION TO RE-EXPORT SO-CALLED SENSITIVE EQUIPMENT, FACILITIES, AND MATERIALS, AS WELL AS THE RELEVANT TECHNOLOGICAL INFORMATION, ONLY IF THE CONFIDENTIAL

PAGE 03 STATE 152113

SUPPLIER STATE CONSENTS THERETO,

-- THE OBLIGATION TO APPLY THE SAFEGUARDS AGREED UPON WITHOUT ANY TIME LIMIT, EVEN BEYOND THE DURATION OF THE AGREEMENT (WHICH IN ANY CASE CAN BE DENOUNCED ONLY AFTER 15 YEARS),

-- A STIPULATION ON THE PROTECTION OF INSTALLATIONS AND MATERIAL E.G. AGAINST ACTIONS OF THIRD PARTIES, THE SO-CALLED PHYSICAL PROTECTION.

-- IT WAS AGREED, MOREOVER, THAT THE FEDERAL GOVERNMENT MAY PARTICIPATE AS A THIRD PARTY IN BRAZIL'S NEGOTIATIONS.

TIATIONS AND AGREEMENT WITH IAEA ON SAFEGUARD CONTROLS,

BRAZIL'S PROFESSION OF ADHERENCE TO THE NONPROLIFERATION OF NUCLEAR WEAPONS, THE ADDITIONAL SUBJECTION OF RELEVANT TECHNOLOGICAL INFORMATION UNDER SAFEGUARDS, THE RESTRICTIONS ON RE-EXPORT, THE STIPULATIONS REGARDING PHYSICAL PROTECTION, AND THE ADOPTION OF TRILATERAL SAFEGUARDS GO BEYOND THE PREVIOUS APPLICATION OF THE NP-TREATY

AND THEREBY STIMULATE A FURTHER DEVELOPMENT OF THE IAEA-SAFEGUARDS-SYSTEMS VIS-A-VIS PARTIES NOT SIGNATORIES TO THE TREATY. THE FEDERAL GOVERNMENT ATTACHED DECISIVE VALUE TO THESE COMPREHENSIVE SAFEGUARDS BECAUSE GERMAN-BRAZILIAN COOPERATION ON THIS SCALE IS A NOVELTY. IN PARTICULAR, THE TRILATERAL CONTROL AGREEMENT MAKES IT POSSIBLE FOR THE FEDERAL GOVERNMENT TO EXERT A DECISIVE INFLUENCE ON THE SAFEGUARDS TO BE EFFECTIVELY APPLIED IN BRAZIL EVEN WHILE THIS AGREEMENT WAS BEING NEGOTIATED.

IN THE PRACTICAL EXECUTION OF THE COOPERATIVE UNDERTAKING, THE EXPORTING GERMAN NUCLEAR INDUSTRY WILL NOT ONLY BE SUBJECT TO OUR OWN EXTENSIVE AND LOOPHOLE-FREE ATOMIC LEGISLATION BUT ALSO TO INTERNATIONAL CONTROL OBLIGATIONS UNDER THE EURATOM TREATY AND, IN ADDITION, TO THOSE UNDER THE VERIFICATION AGREEMENT WITH THE IAEA. THE INDUSTRY WILL ONLY BE ABLE TO OBTAIN AUTHORIZATION UNDER THE FOREIGN TRADE LAW, BOTH FOR THE EXPORT OF NUCLEAR MATERIALS AND EQUIPMENT AND FOR THE TRANSFER OF TECHNO-CONFIDENTIAL

PAGE 04 STATE 152113

LOGICAL INFORMATION TO BRAZIL, WHEN IT HAS BEEN ASCERTAINED THAT FOR SUCH EXPORTS BRAZIL HAS ACCEPTED THE AFOREMENTIONED IAEA CONTROL MEASURES.

THE FEDERAL GOVERNMENT IS OF THE OPINION THAT THIS AGREEMENT GIVES FULL CONSIDERATION TO THE GOALS OF AN EFFECTIVE NONPROLIFERATION POLICY, TOGETHER WITH THE REQUIREMENTS OF WORLDWIDE COOPERATION FOR THE PEACEFUL USE OF NUCLEAR ENERGY. THE SHORTAGES AND BOTTLENECKS IN THE TRADITIONAL ENERGY FIELD HAVE LED TO A STEADILY INCREASING DEMAND FOR NUCLEAR ENERGY. THIS IS AN IRREVERSIBLE DEVELOPMENT. SCIENCE AND TECHNOLOGY HAVE FURTHERMORE CREATED THE PREREQUISITES FOR THE INDUSTRIAL USE OF NUCLEAR ENERGY. THE QUESTION OF THE PARTICIPATION IN THIS PROCESS OF INCREASINGLY INDUSTRIALIZED COUNTRIES LIKE BRAZIL IS NOT ONE OF "WHETHER" BUT EXCLUSIVELY OF "WHEN." THE URGE OF THESE COUNTRIES TO PARTICIPATE IN THIS PROCESS FOR ECONOMIC AND SOCIAL REASONS IS INEXORABLE. THE FEDERAL GOVERNMENT IS THEREFORE OF THE OPINION THAT IT IS IN THE INTERESTS OF A WORKABLE AND ENDURING NONPROLIFERATION POLICY TO INTEGRATE INCREASINGLY INDUSTRIALIZED COUNTRIES LIKE BRAZIL IN THE INTERNATIONAL COOPERATION AND

THE INTERNATIONAL CONTROL SYSTEM.

2. HAS THE GOVERNMENT OF THE FEDERAL REPUBLIC CONSULTED PROMPTLY AND EXTENSIVELY WITH ITS ALLIES, PARTICULARLY THE UNITED STATES, AND WHAT HAS BEEN THE RESULT?

YES; THE GOVERNMENT OF THE FEDERAL REPUBLIC PROMPTLY

AND EXTENSIVELY CONSULTED NOT ONLY THE GOVERNMENT OF THE UNITED STATES BUT ALSO THE OTHER ALLIES.

THE CONSULTATIONS WITH THE UNITED STATES HAVE BEEN GOING ON SINCE FEBRUARY 1975, PRIMARILY IN BONN AND IN WASHINGTON. IN APRIL THE FEDERAL GOVERNMENT HELD DAY-LONG TALKS WITH A U.S. GOVERNMENT DELEGATION IN BONN. FURTHER GERMAN-AMERICAN CONTACTS CAME ABOUT WITHIN THE FRAMEWORK OF MULTI-LATERAL EVENTS -- FOR EXAMPLE, IN CONNECTION WITH THE CONFERENCE ON REVIEW OF THE NON-PROLIFERATION TREATY IN GENEVA IN MAY 1975. THE FEDERAL CONFIDENTIAL

PAGE 05 STATE 152113

GOVERNMENT HELD SIMILAR CONSULTATIONS WITH OTHER FRIENDLY STATES, BOTH IN BONN AND IN OTHER EUROPEAN CAPITALS. IT ALSO PRESENTED THE AGREEMENT, IN ACCORDANCE WITH ARTICLE 103 OF THE EURATOM AGREEMENT, TO THE EUROPEAN COMMUNITY COMMISSION FOR REVIEW.

IN ITS TALKS WITH THE U.S. GOVERNMENT, THE FEDERAL GOVERNMENT GAINED THE IMPRESSION THAT ITS OBJECTIVE ARGUMENTS WERE UNDERSTOOD. THE U.S. GOVERNMENT EXPRESSED ITS SATISFACTION WITH THE SAFEGUARDS AGREED UPON BETWEEN THE FEDERAL REPUBLIC OF GERMANY AND BRAZIL. IN PARTICULAR, IT EXPRESSED ITS SATISFACTION AT THE PARTICIPATION OF THE FEDERAL REPUBLIC OF GERMANY IN THE CONTROL AGREEMENT TO BE ENTERED INTO BETWEEN BRAZIL AND THE IAEA.

NO OBJECTIONS AGAINST THE AGREEMENT WERE RAISED BY THE COMMISSION OF THE EUROPEAN COMMUNITY.

3. WHAT ECONOMIC AND TECHNOLOGICAL SCOPE CAN BE ASCRIBED TO THE AGREEMENT WITH BRAZIL?

THE FEDERAL REPUBLIC OF GERMANY HAS HAD GOOD POLITICAL AND ECONOMIC RELATIONS WITH BRAZIL FOR MANY YEARS. BRAZIL, WITH OVER A HUNDRED MILLION INHABITANTS, IS THE LARGEST COUNTRY IN SOUTH AMERICA AND ONE OF THE LARGEST IN THE WORLD. THE ECONOMIC UPSWING IN BRAZIL ALLOWS ONE TO ASSUME THAT IN A FEW YEARS BRAZIL CAN BE A MODERN INDUSTRIAL POWER.

GERMAN-BRAZILIAN RELATIONS WILL BE FURTHER DEEPEMED AND STRENGTHENED BY THIS AGREEMENT. THE FEDERAL GOVERNMENT

EXPECTS FROM IT POSITIVE EFFECTS AND INITIATIVES GOING BEYOND THE FRAMEWORK OF COOPERATION IN PEACEFUL USE OF ATOMIC ENERGY AND BLAZING NEW PATHS FOR AN IMPROVEMENT OF MUTUAL ECONOMIC RELATIONS.

GERMAN-BRAZILIAN COOPERATION MIGHT SERVE AS A MODEL FOR

INTERNATIONAL COOPERATION BETWEEN INDUSTRIAL STATES AND STATES WHICH STAND ON THE THRESHHOLD OF INDUSTRIAL DEVELOPMENT.

CONFIDENTIAL

PAGE 06 STATE 152113

BRAZIL IS NOT AN INDUSTRIAL NATION AS YET; IT NEEDS GREAT SOURCES OF ENERGY FOR THE DEVELOPMENT OF ITS ECONOMY. EXISTING RESOURCES -- WATER AND PETROLEUM -- ARE NOT SUFFICIENT FOR THAT. CONSEQUENTLY BRAZIL IS DEPENDENT ON USING NUCLEAR ENERGY.

BEYOND THAT THE GRADUAL JOINT DEVELOPMENT OF THE NUCLEAR INDUSTRY WILL EXERT A STIMULATING INFLUENCE AND A SECONDARY EFFECT ON ALMOST ALL BRANCHES OF INDUSTRY. IN THIS CONNECTION THE BRAZILIAN GOVERNMENT IS INTERESTED ESPECIALLY IN THE DEVELOPMENT OF ITS OWN INDEPENDENT OF THE HITHERTO NECESSARY AND COSTLY IMPORTS IN THIS AREA.

FOR THE GERMAN NUCLEAR INDUSTRY, TOO, COOPERATION WITH BRAZIL IS OF GREAT SIGNIFICANCE. THE ECONOMIC ITEMS OF INTEREST TO THE FEDERAL REPUBLIC OF GERMANY IN SUCH A PROGRAM OF COOPERATION ARE THE DELIVERY OF NATURAL URANIUM BY BRAZIL TO THE FEDERAL REPUBLIC OF GERMANY AND, CONVERSELY, THE DELIVERY OF UP TO 8 NUCLEAR ENERGY PLANTS, ONE FUEL ELEMENT PLANT, COOPERATION IN URANIUM ENRICHMENT BASED ON THE SEPARATION NOZZLE PROCESS DEVELOPED IN KARLSRUHE, AND THE ERECTION OF A PILOT PLANT FOR THE REPROCESSING OF IRRADIATED FUELS.

THE POTENTIAL VOLUME OF ORDERS IN THIS INTENDED COOPERATION WILL EXTEND OVER A PERIOD OF 15 YEARS AND AMOUNT TO APPROXIMATELY 10 BILLION GERMAN MARKS. BECAUSE OF INTERNATIONAL COMPETITION, IT IS DIFFICULT FOR THE GERMAN NUCLEAR INDUSTRY TO GAIN A FOOTHOLD IN FOREIGN MARKETS. MOREOVER, BECAUSE OF THE SHORTAGE OF NATURAL URANIUM EXPECTED BY THE BEGINNING OF THE 80'S AND THE POSSIBILITY OF CORRESPONDING NATURAL URANIUM CARTELS, THE GERMAN FEDERAL GOVERNMENT AND GERMAN INDUSTRY ARE INTERESTED IN ADDITIONAL SOURCES OF SUPPLY.

THE GERMAN FEDERAL GOVERNMENT IS OF THE OPINION THAT THE AGREEMENT WITH BRAZIL CONTAINS THE POSSIBILITY FOR POLITICALLY REALISTIC, TECHNOLOGICALLY PROGRESSIVE AND ECONOMICALLY SOUND COOPERATION BETWEEN AN INDUSTRIAL COUNTRY AND A COUNTRY ON THE THRESHHOLD OF INDUSTRIALIZA-

CONFIDENTIAL

PAGE 07 STATE 152113

TION. INGERSOLL

CONFIDENTIAL

<< END OF DOCUMENT >>

Message Attributes

Automatic Decaptioning: X
Capture Date: 26 AUG 1999
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TEXT, DIPLOMATIC NOTES, NUCLEAR COOPERATION PROGRAMS, PEACEFUL USES OF ATOMIC ENERGY
Control Number: n/a
Copy: SINGLE
Draft Date: 27 JUN 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: CunninFX
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975STATE152113
Document Source: ADS
Document Unique ID: 00
Drafter: PM/NPO:LVNOSENZO
Enclosure: n/a
Executive Order: 11652 GDS
Errors: n/a
Film Number: D750224-0043
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t197506103/baaaaanut.tel
Line Count: 278
Locator: TEXT ON-LINE, TEXT ON MICROFILM
Office: ORIGIN PM
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 6
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: CunninFX
Review Comment: n/a
Review Content Flags:
Review Date: 07 APR 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <07 APR 2003 by BoyleJA>; APPROVED <22 SEP 2003 by CunninFX>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: n/a
TAGS: PARM, GE, BR, (GENSCHER)
To: BONN
BRASILIA INFO IAEA VIENNA
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006